

## More options available for tax payment

The Business and Commercial Services Division is continually working to streamline the payment and processing of franchise taxes, to accommodate businesses and increase efficiency.

BCS is promoting batch filing, which allows CPAs to simultaneously file franchise taxes for multiple customers. This will benefit accountants who file hundreds of annual reports and taxes each year, by saving a profile of the CPA's customer information. In subsequent years, the CPA can simply log in to the batch filing system, make any necessary information changes, and file instantly, without re-keying full entries.

A new option for 2007 is payment coupons. CPAs who batch file for multiple clients may choose to receive a coupon containing filing information to send to their customers, or BCS can direct-bill the

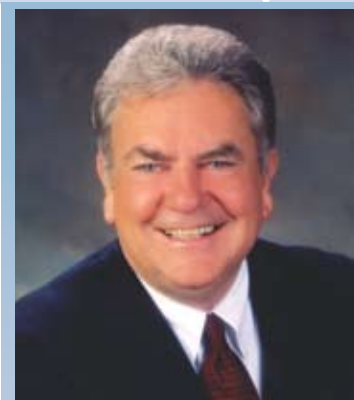
customers. A prototype of the coupon is pictured below.

The coupon will include the customer's company name, file number and tax amount due. It is part of a tri-fold document sent to the company's tax contact, notifying the business that its annual report has been filed, and will provide the website and mailing address at which to pay franchise taxes.

The customer can detach the stub and enclose it with payment for taxes. *This option is only available for batch filing.*

Franchise taxes are due by May 1. After that date, penalties are incurred and interest accrues on the franchise tax.

For assistance in filing your annual report and franchise taxes, contact BCS at 501-682-3409, 888-233-0325 or [corporations@sos.arkansas.gov](mailto:corporations@sos.arkansas.gov).



Secretary of State Charlie Daniels

I am proud to announce that the Business and Commercial Services Division of the Secretary of State's Office is planning and introducing more improvements. Each year we strive to increase our services over the previous year. Without a doubt 2007 is going to be a banner year.

For several years customers have desired to transact business with credit cards. This is finally possible whether online or over-the-counter. All major credit cards are accepted.

Other technology advancements being introduced this year include the ability to dissolve a corporation online, streamlining the processing of franchise taxes to paperless, and offering batch filers (companies filing multiple taxes) deferred 30-day coupons to their clients.

We are also proposing new legislation that will help us maintain current contact information for all entities that do business in the state.

Thanks for being a part of the readership of Arkansas, Inc., your key to staying abreast of the latest in state business developments.

**Payment Voucher**  
**Arkansas Franchise Tax**  
**Reporting Year 2007**

Company Name: \_\_\_\_\_ File Number: \_\_\_\_\_

Amount Due: \$ \_\_\_\_\_

Mail payment check to:  
 Arkansas Secretary of State  
 P.O. Box 8014  
 Little Rock, AR 72203

Officer signature (if mailing payment) \_\_\_\_\_

*If paying by mail, detach, sign and return this portion with your payment.*

## Expanding Our Service: Credit Cards Accepted in Office

The Business and Commercial Services Division is now accepting credit cards for services in the office as well as online.

This will speed certain business processes, especially for requests of records, which must be prepaid. In the past, that meant waiting for a check to be mailed. Now, it simply means entering the customer's credit card number and completing the transaction.

Telephone service is not available for all payments. For example, franchise taxes cannot be processed by telephone.

MasterCard, American Express, Visa and Discover are all accepted. A 4 percent convenience fee, with a minimum of \$1, is charged, in addition to the fee for service. The minimum amount for which BCS will accept credit cards is \$2.50, plus the \$1 convenience fee.

## Business and Commercial Services



## Frequently Asked Questions

**Q. Is it possible to file past-due taxes online without filing the 2007 taxes?**

**A.** No. When filing online, the delinquent taxes and current taxes must be paid simultaneously.

**Q. Do tax payments mailed have to be received in your office by May 1?**

**A.** No. All tax payments must be postmarked by May 1 to avoid penalties and interest.

**Q. Our office uses our own mail meter. Will that date serve as a postmark?**

**A.** No. The postmark must be from the U.S. Postal Service.

**Q. I haven't received a tax form for my company. How do I get one?**

**A.** A form can be downloaded from our website, [sos.arkansas.gov](http://sos.arkansas.gov), or requested by calling our office at 501-682-3409, or taxes can be filed online.

**Q. Can someone assist me with filing my taxes online?**

**A.** Yes, our staff will assist with online tax filings.

**Q. Can taxes be paid by credit card over the telephone?**

**A.** No. Credit cards can only be used online or on walk-in basis when paying franchise taxes.

**Q. Which credit cards does your office accept?**

**A.** Our office will accept Visa, MasterCard, Discover and American Express.

**Q. Do I have to pay taxes if I did not conduct business last year?**

**A.** Yes. Taxes are not based on profit or activity.

**Q. What is the process to reinstate my revoked company?**

**A.** All past-due taxes must be paid. This update will reinstate a company.

**Q. If I pay past due taxes, how long does it take to update my business from a revoked status?**

**A.** Our system will update overnight.

**Q. After I get my company back in good standing, how soon can I purchase a certificate of good standing online?**

**A.** You can obtain the certificate of good standing the day after paying past-due taxes online.

**Q. My company was formed at the end of the year. Do I still have to pay this year's taxes?**

**A.** Yes. Taxes are due for each company if formed the previous year.

*Have a question? E-mail us: [Business and Commercial Services at corporations@sos.arkansas.gov](mailto:Business_and_Commercial_Services_at_corporations@sos.arkansas.gov).*

## ACE provides assistance, resources to nonprofit organizations

Nonprofit organizations are often isolated – they might form a local network, or nonprofits in related fields might communicate, but there's rarely any interdisciplinary relationship among the organizations.

The Arkansas Coalition for Excellence (ACE) is trying to change that by recruiting nonprofits, corporations, foundations and other entities to an organization that benefits the state, clients of nonprofits, and the members of ACE.

"We're part of a national network providing support across 45 other states," according to ACE Executive Director Hunter Phillips Goodman. "We have a strong infrastructure for a unified nonprofit sector."

ACE, a member of the National Council of Nonprofit Associations, was incorporated in 2003 as a nonprofit organization specifically for nonprofit and educational organizations. A 501(c)(3) organization, its goal is to foster a "stronger nonprofit sector, supportive public climate and the ability of nonprofits to accomplish their missions."

ACE has adopted the Arkansas Diamond Standards, a training program designed specifically for ACE to help nonprofits develop maximum potential.

"We want our members to be active ... not just be members of the organization, but truly be involved and share their voices," Goodman said. "We have a working board;

they're all on committees within the organization.

"It's an opportunity to become part of a process, to serve on a committee or task force, to provide input, and make sure (the member's) needs are represented," Goodman said.

For membership information, log on to [www.acenonprofit.org](http://www.acenonprofit.org) or call 501-376-4567.

**Need a speaker  
for your next meeting?**  
**Contact**  
**Secretary of State**  
**Business and Commercial**  
**Services**  
**(501) 682-3409**

# NOTARY CORNER



Arkansas Code A.C.A. 21-14-107 says, "At the time of notarization, the notary public shall sign his or her official signature."

It further states, "Under or near a notary public's official signature, on every notary certificate, the notary public shall provide a seal of his or her public office."

This edition of *Notary Corner* will discuss the various aspects of the notary public's official signature and seal.

A major function of the notarization of a written document is to add authenticity to the document. This increases the trust persons have in the document's validity.

A typical scenario might be a document having been signed by one or more persons. The notarization insures that the identity of each signer has been verified by the notary. Thus the notary has "memorialized" the notarization by signing and sealing a notary certificate that is attached to the document. In addition, this event may be recorded in the notary's journal or register. To add standardization to the process, there is guidance in the form of state law and established notary practices in the use of the notary signature and seal.

## Official Notary Signature

The notary public's official notary signature is the signature that is on file with the Secretary of State's office. This is the signature that was signed on the notary application. It should be the same signature that appears on the surety bond and commission/oath. In turn, the name depicted on the notary's official seal should be in the same format as the official signature.

As with the execution of other documents, the signature should be in ink and must be an original manual signature. Only in specific cases can a notary use a facsimile or pre-printed signature. For more information on the use of facsimile signatures please refer to A.C.A. 21-14-201 or contact the Secretary of State's office.

## Official Notary Seal

Official seals have been used throughout history to lend authenticity to legal documents. Seals are also used to make official documents more difficult to forge.

In Arkansas the notary public's official seal must meet the specific requirements of Arkansas law as detailed in A.C.A. 21-14-107. The seal may either be a rubber stamp or a metal embosser; however, if it is an embosser, the raised impression must be "inked" so it can be read easily on a photocopy or fax copy. Other information that must appear on the official seal includes: the name (in the same format as the official signature), county and state of commission, and

commission expiration date. The notary public's commission number must also appear on all seals issued after January 1, 2006. If a notary was commissioned before January 1, 2006 the notary is **not** required to acquire a new seal until renewal. State law also indicates a seal cannot contain an outline of the state of Arkansas or the Great Seal of the State of Arkansas.

The notary's seal is the property of the notary public. As such it should be safeguarded when not in use and should not be "borrowed" by others. Even if the notary's employer purchased it, the seal is the personal property of the notary whose name it bears. Consequently, if a notary resigns, retires or is fired from a job, the employer cannot keep the notary's seal, commission or bond.

The National Notary Association notes the most common reason documents fail to be accepted for recording is the lack of the notary's signature or seal. Occasionally notaries preoccupied by examining identification and watching the signer execute the document may forget to sign or seal the certificate. The notary's official signature and seal on a notarized document are the lasting physical evidence of the notarial act. Therefore, care should be taken when completing certificates.

For additional information on this and other topics, please contact the Arkansas Secretary of State's office at 501-682-3409 or 888-233-0325.

## BCS, SCORE teaming up to help business owners succeed

BCS and the SCORE program are cooperating in a trial effort to provide free business counseling to entrepreneurs filing documents with the Arkansas Secretary of State.

SCORE is a non-profit volunteer organization working in conjunction

with the Small Business Administration to provide real-world advice to prospective business owners.

SCORE will set up an information booth each week outside BCS' office, Suite 250 in the Victory Building, to offer business counseling.

When BCS customers come to our office on those days, they can meet with former and current business executives to seek an experienced viewpoint.

SCORE will offer information from 10 to 11:30 a.m. each Friday now through April 27 on a trial basis.



## BCS beginning spring notary seminars

The spring session of notary seminars will begin April 5. These 90-minute classes are free to all current and prospective notaries.

The Arkansas Secretary of State's office encourages notaries to attend for important information about the Arkansas notary law. To register, call 501-682-5165, 501-682-5282 or 888-233-0325.

April 5 – Fayetteville

April 10 – Mena

April 11 – Little Rock

April 12 – Arkadelphia

April 13 – Mountain Home

April 17 – Texarkana

April 18 – Conway

April 19 – Stuttgart

April 20 – Paragould

April 25 – Searcy

April 27 – Harrison

May 1 – El Dorado

May 1 – Sheridan

May 3 – Forrest City

May 8 – Monticello

May 9 – Little Rock

May 11 – Hot Springs

May 15 – DeQueen

May 16 – West Memphis

May 17 – Pine Bluff

May 22 – Cabot

May 24 – Jonesboro

May 25 – Batesville

May 30 – Fort Smith

May 31 – Pocahontas

June 1 – Bentonville

June 1 – Malvern

June 5 – Russellville

June 6 – Ash Flat

June 13 – Little Rock

Staff will also conduct seminars on-site by request for groups of 10 or more. To schedule a private seminar for your office or group, call the numbers above.

## Franchise Taxes are due by May 1

ONLINE FRANCHISE TAX

Single Tax Filing

Batch (multiple) Filing

Each year, the Arkansas Secretary of State mails all corporations registered in Arkansas an annual report (also called a Franchise Tax Statement).

This year over 100,000 tax reports were mailed in January 2007 and must be paid by May 1, 2007.

For inquiries, contact  
Business and Commercial Services,  
501-682-3409 or  
[corporations@sos.arkansas.gov](mailto:corporations@sos.arkansas.gov)  
**[www.sos.arkansas.gov](http://www.sos.arkansas.gov)**



1401 West Capitol, Suite 250  
Little Rock, AR 72201-1094  
[www.sos.arkansas.gov](http://www.sos.arkansas.gov)  
(501) 682-3409

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**IN THE CIRCUIT COURT OF PULASKI  
COUNTY, ARKANSAS**

**TWELFTH DIVISION**

T&T CHEMICAL, Inc.  
PLAINTIFF

v.

No. OT 99-6191

CHARLIE DANIELS, Secretary of State  
for the State of Arkansas; and

MARTHA SHOFFNER, Treasurer of the  
State of Arkansas

DEFENDANTS\*

**NOTICE OF RIGHTS OF CLASS  
MEMBERS, PROPOSED CLASS  
SETTLEMENT, AND FAIRNESS  
HEARING TO CONSIDER PROPOSED  
SETTLEMENT**

TO: ALL CORPORATIONS THAT  
HAVE PAID ARKANSAS CORPORATE  
FRANCHISE TAXES AFTER NOVEMBER  
30, 1999, THROUGH THE PRESENT  
DATE

Pursuant to an Order dated February 9, 2007, the Pulaski County Circuit Court, Twelfth Division, the Honorable Alice S. Gray, in the case of T&T Chemical, Inc. v. Charlie Daniels, et al., No. OT99-6191, has directed the giving of notice as follows:

1. Claims Asserted In This Class Action. The Complaint in this Action was filed on November 30, 1999, pursuant to Article 16, § 13 of the Arkansas Constitution. The Complaint alleges that Act 50 of the 1993 regular session of the Arkansas General Assembly did not increase Arkansas' corporate franchise tax by \$6.00 and that the collection of such purported increase was illegal. The Circuit Court has ruled that Act 50 did not increase Arkansas' corporate franchise tax and that the collection of such purported increase was illegal.

2. Definition of Plaintiff Class. The Arkansas Supreme Court has ruled that the Plaintiff Class is comprised of corporate taxpayers who paid the

purported increase in the corporate franchise tax allegedly enacted by Act 50 of 1993.

3. Fairness Hearing Concerning Release and Settlement Agreement. A fairness hearing has been scheduled for 2:45 p.m. on March 22, 2007, at the Pulaski County Circuit Court, Twelfth Division, Room 350, Pulaski County Courthouse, Little Rock, Arkansas, for the purpose of considering the fairness of the proposed Release and Settlement Agreement. The Release and Settlement Agreement is a compromise settlement of doubtful and disputed claims and the Defendants deny any liability.

4. Terms of Release and Settlement Agreement. Under the terms of the Release and Settlement Agreement, with the exception of members of the Plaintiff Class that have given notice that they voluntarily paid the corporate franchise tax pursuant to Act 50 of 1993, each member of the Plaintiff Class that is in good standing as of February 1, 2008, shall receive a credit to be applied against the amount owed by the member for corporate franchise taxes due for tax year 2007 in the amount of such taxes paid by the member after November 30, 1999, pursuant to Act 50 of 1993 less credits for such payments previously issued to the member and less reasonable attorneys' fees and costs as awarded by the Pulaski County Circuit Court. No action need be taken to obtain such credits by members of the Plaintiff Class that are in good standing and paying Arkansas' corporate franchise taxes as of February 1, 2008. The credits for such class members shall be automatically issued and reflected on the corporate franchise tax reports to be mailed to such class members no later than February 1, 2008.

Further, with the exception of members of the Plaintiff Class that have given notice that they voluntarily paid the corporate franchise tax pursuant to Act 50 of 1993, each member of the Plaintiff Class that is not in good standing as of February 1, 2008, may apply for a credit to be applied against the amount owed by the member for corporate franchise taxes due for tax

year 2007 in the amount of such taxes paid by the member after November 30, 1999, pursuant to Act 50 of 1993 less credits for such payments previously issued to the member and less reasonable attorneys' fees and costs as awarded by the Pulaski County Circuit Court. However, such members will be required to execute a refund claim form, copies of which will be provided by the Secretary of State to the member upon request. The Secretary of State retains the right to offset any credits for members owing past due corporate franchise taxes.

5. Attorneys' Fees and Costs. The Release and Settlement Agreement provides that the amount of attorneys' fees and costs will be submitted to the Circuit Court at the fairness hearing. It is presently anticipated that the attorneys for the Plaintiff Class will request 40% of the monies available to be credited for corporate franchise taxes paid pursuant to Act 50 of 1993 after November 30, 1999, as their fees and for reimbursement of costs advanced during their prosecution of this Action.

6. Rights of Class Members. You are hereby advised that any judgment or settlement of this matter will include all members of the Plaintiff Class. Any member who desires may participate in the fairness hearing themselves or through counsel. **If you should have any questions concerning the Release and Settlement Agreement or the fairness hearing, please contact Steven A. Owings, lead counsel for the Plaintiff Class, at Owings Law Firm, 1320 D Brookwood Drive, Little Rock, AR 72202, (501) 661-9999.**

PLEASE DO NOT CALL OR WRITE  
THE COURT OR THE OFFICE OF  
THE CLERK OF THE COURT FOR  
INFORMATION OR ADVICE.

*\*The Honorable Charlie Daniels is Arkansas' Secretary of State, and the Honorable Martha Shoffner is Arkansas' Treasurer. They are automatically substituted as the Defendants in this action by operation of Arkansas Rule of Civil Procedure 25(d).*